



U.S. Department of Justice

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PRESS RELEASE

FOR IMMEDIATE RELEASE

Tuesday, December 7, 2010

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D.C. Men Sentenced to Prison Terms For Filing False Tax Returns

WASHINGTON - Andrew Novak, 43, and Daniel Feller, 49, of the District of Columbia, have been sentenced to prison terms after pleading guilty to charges relating to the preparation and filing of false and fraudulent federal income tax returns. The sentences were announced by U.S. Attorney Ronald C. Machen Jr., Rebecca A. Sparkman, Special Agent in Charge of the Washington D.C. Field Office of the Internal Revenue Service - Criminal Investigation, and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

Novak and Feller entered their guilty pleas on September 2, 2010 before the Honorable Judge Thomas F. Hogan in U.S. District Court for the District of Columbia. On December 6, 2010, Judge Hogan sentenced Novak to an 18-month prison term and Feller to an eight-month term. The judge ordered both to perform 100 hours of community service and ordered that they be placed on a year of supervised release following completion of their prison terms.

In connection with their guilty pleas, the men admitted that, from 2002 through 2007, they engaged in a scheme to steal and misapply over \$2.3 million in funds from Novak's former employer, identified in court documents as "Company K", a District of Columbia based company that provided advertising and media outreach services, by utilizing Feller's company Strategic Plus, Inc., (SPI). The men caused false SPI documents and fictitious SPI invoices to be submitted to Company K, resulting in checks being issued from Company K to SPI.

Feller caused approximately 90 percent of the check proceeds to be sent to Novak and kept approximately 10 percent for himself.

To assist Novak in the preparation of false Federal Form 1040 income tax returns, Feller falsified SPI check registers to ensure that Forms 1099 (relating to payments from corporations to individuals) were not issued for the payments being made from SPI to Novak. Novak thereafter prepared and filed false and fraudulent returns for the years 2002 through 2007, not reporting \$2,321,764 in income from the scheme. This resulted in a tax loss to the Internal

Revenue Service of \$814,744.

“The sentencing of Mr. Novak and Mr. Feller emphasizes that the IRS-Criminal Investigation will continue an aggressive pursuit of those who use fraudulent methods in an attempt to corrupt our nation’s tax system,” stated Special Agent in Charge Sparkman, of IRS-Criminal Investigation. “Those Americans who file accurate, honest and timely tax returns can be assured that the Government will hold accountable those who do not.”

In announcing the sentencings, U.S. Attorney Machen, Special Agent in Charge Sparkman and Assistant Director McJunkin commended the work of the FBI Special Agents who worked on the case, IRS-Criminal Investigation Special Agent James Greczek who investigated the matter, and the staff of the U.S. Attorney’s Office, including Paralegals Jamasee Lucas and Jared Forney and Assistant U.S. Attorney John Griffith, who prosecuted the case.

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